

Please find enclosed inserts for questions No. 7, No. 53, No. 54, for previously submitted Interrogatories and Requests for Production of Documents by the Attorney General (First Set) to Tennessee-American Water Company Rate Case No. 03-00118.

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ENERGY & WATER DIVISION

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 03-00118**

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7. Q. PROVIDE INCOME STATEMENTS AND BALANCE SHEETS FOR THE 12 MONTHS ENDING JULY 31, 2002, FOR TENNESSEE-AMERICAN WATER COMPANY, AMERICAN WATER WORKS COMPANY, INC., AND AMERICAN WATER WORKS SERVICE COMPANY.

A. The Tennessee American Water Company Income Statement and Balance Sheet for the 12 months ending July 31, 2002 is included in the work papers. See work papers – Financial Statements Tab – pages 1 and 12. See the attached financial statements for American Water Works Service Company and American Water Works Company, Inc.

AMERICAN WATER WORKS COMPANY, INC.

INCOME STATEMENT
12 MONTHS ENDED JULY 31, 2002

(In thousands)

	<u>July 31,</u> <u>2002</u>
Income from subsidiaries	
Equity in earnings of subsidiaries	
Dividends	\$ 140,845
Undistributed earnings	37,688
	<u>178,533</u>
Interest	4,776
Gain on sale of operating systems	53,548
Gain on other investments, net	11,702
Other income	(869)
	<u>247,690</u>
Expenses	
Operating and administrative expenses	13,012
General taxes	252
Interest	28,951
Merger expenses	11,617
Amortization of debt expense	128
	<u>53,960</u>
Income before income taxes	193,730
Provision for income taxes	23,702
Income before cumulative effect of change in accounting principle	<u>170,028</u>
Cumulative effect of change in accounting principle	2,679
Net income	<u>172,707</u>
Dividends on preferred stocks	390
	<u>390</u>
Net income to common stock	<u><u>\$ 172,317</u></u>

AMERICAN WATER WORKS COMPANY, INC.

BALANCE SHEET

(In thousands)

	<u>At July 31,</u> <u>2002</u>
ASSETS	
Investments in subsidiaries	
Securities	\$ 2,525,308
Notes and advances	93,345
Total investments in subsidiaries	<u>2,618,653</u>
Current assets	
Cash and cash equivalents	409
Receivables from subsidiaries	31,925
Other	876
Total current assets	<u>33,210</u>
Deferred debits	
Deferred income taxes	11,208
Debt expense	459
Other	15,534
Total deferred debits	<u>27,201</u>
Other long-term investments	<u>25,033</u>
TOTAL ASSETS	<u><u>\$ 2,704,097</u></u>
CAPITALIZATION AND LIABILITIES	
Capitalization	
Common stock	\$ 125,083
Paid-in capital	490,130
Retained earnings	1,169,325
Accumulated other comprehensive income	7,141
Unearned compensation	-
Treasury stock	(682)
Common stockholders' equity	<u>1,790,997</u>
Preferred stocks called for redemption	-
Long-term debt with subsidiary	452,454
Long-term debt	171,000
Total capitalization	<u>2,414,451</u>
Current liabilities	
Notes payable to subsidiary	44,738
Current portion of long-term debt	128,053
Accounts payable	369
Other payables to subsidiaries	322
Interest accrued	19,689
Taxes accrued, including federal income	36,227
Other	25,138
Total current liabilities	<u>254,536</u>
Other long-term liabilities	
Deferred income taxes	2,349
Other long-term liabilities	32,761
Total other long-term liabilities	<u>35,110</u>
Commitments and contingencies	-
TOTAL CAPITALIZATION AND LIABILITIES	<u><u>\$ 2,704,097</u></u>

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54. Q. PROVIDE THE CAPITAL STRUCTURE OF TENNESSEE-AMERICAN'S PARENT COMPANY, RWE, FOR THE ATTRITION YEAR.

A. See Consolidated Balance Sheet of RWE attached.

Consolidated Balance Sheet as at December 31, 2002

Assets € million	Note	12/31/02	12/31/01
Non-current assets	(11)		
Intangible assets		18,518	8,502
Property, plant and equipment		33,779	32,310
Financial assets ¹		9,280	8,370
		61,577	49,182
Current assets			
Inventories	(12)	3,505	3,643
Accounts receivable and other assets	(13)	16,371	15,244
Marketable securities	(14)	8,459	10,611
Cash and cash equivalents	(15)	2,143	3,842
		30,478	33,340
Deferred taxes	(16)	7,593	8,399
Prepaid expenses		625	528
		100,273	91,449

Equity and Liabilities € million	Note	12/31/02	12/31/01
Equity/Minority interest	(17)		
Group interest		6,429	7,730
Minority interest		2,495	3,399
		8,924	11,129
Provisions	(18)	40,187	40,383
Liabilities²	(19)	41,140	30,535
Deferred taxes	(16)	6,566	6,206
Deferred income	(20)	3,456	3,196
		100,273	91,449

¹ Include €4,030 million in financial assets accounted for using the equity method (previous year: €4,614 million).

² Include €23,935 million in long-term interest-bearing liabilities (previous year: €11,408 million).

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53. Q. PROVIDE THE CAPITAL STRUCTURE OF TENNESSEE-AMERICAN'S PARENT COMPANY, AMERICAN WATER WORKS, AS OF JULY 31, 2002.

A.	<u>Amount</u> (000)
Short-Term Debt	\$44,738
Long-Term Debt	\$751,507
Preferred Stock	0
Common Equity	<u>\$1,790,997</u>
 TOTAL	 \$2,587,242